GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:13
ANSWERED ON:20.11.2000
EFFECT OF GAS PRICES ON NTPC PROJECTS
DALPAT SINGH PARASTE

Will the Minister of POWER be pleased to state:

(a) whether the rising prices of gas have put the National Thermal Power Corporation Projects in a slow progress or some of them likely to force postponement of some proposed generation projects where gas was to be used as fuel;

(b) if so, the details thereof; and

(c) the steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b): National Thermal Power Corporation (NTPC) has planned expansion of its combined cycle power projects at Kawas, Gandhar, Anta & Auraiya by 650 MW each. The long term fuel for these expansion projects is envisaged to be Liquified Natural Gas (LNG). The delivered price of regassified LNG is indexed to crude oil price, which in international market has increased to abnormally high level (about US$ 32/barrel), resulting in steep increase in LNG prices. The abnormal increase in LNG price has necessitated reconfirmation from beneficiaries states of these projects to buy power at the indicative cost of generation of more than about Rs. 4/KWH and to absorb further variation in fuel prices, if any. Accordingly, NTPC has taken up the matter with beneficiaries of Western/Northern region for reconfirmation.

(c): Further, action on these proposals for investment approvals would be taken up only after reconfirmation from respective beneficiaries to purchase power at revised cost.